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ABSTRACT

This case study part of the State Structures for the Governance of Higher Education study, focuses on governance and related issues in New York's higher education system. The study's overall purpose was to examine differences among states in their governance structures, and to determine if differences in performance were related to governing structures and whether structure affects strategies of state policymakers. The study is based on analysis of documents and on interviews conducted in 1995 and 1996 with state officials, education administrators, faculty, and staff. The first section provides information on state governance, including demography and the political context. Section 2 examines the structures of the state's higher education system, including the role of the State Coordinating Agency, public higher education in New York, private higher education, the role of the State Higher Education Services Corporation, and collective bargaining within the state system. Section 3 examines the processes of governance and coordination, including planning, budgeting, the program review process, and information on system performance. Concluding observations identify 19 specific findings about the system and a final section briefly describes five continuing issues. Appended is a list of national advisory committee members. (Contains 15 references).

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STATE STRUCTURES FOR THE GOVERNANCE OF HIGHER EDUCATION

New York Case Study Summary

A Report from

THE CALIFORNIA HIGHER EDUCATION POLICY CENTER

Spring 1997

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State Structures for the Governance of Higher Education

New York Case Study Summary

By Patrick M. Callan and Frank M. Bowen

Spring 1997

A Technical Paper Prepared for
State Structures for the Governance of Higher Education
and
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Preface

State Structures for the Governance of Higher Education is a national research project concerning state governing structures for higher education. This project was conducted by The California Higher Education Policy Center with support from The Pew Charitable Trusts and The James Irvine Foundation. The purpose of the research is to better understand how states differ in the design of their governance structures, what difference in performance can be related to choice of governing structures, and how structure affects the strategies available to state policy makers with regard to the state's higher education system.

The products of the study include nine different publications: seven case studies, a comparative report, and an annotated bibliography. The *case studies* provide separate summaries of higher education governance for the seven states in this project: California, Florida, Georgia, Illinois, Michigan, New York, and Texas. The state systems of higher education examined in these studies include public and private postsecondary institutions as well as the arrangements for regulating, coordinating and funding them. Case study research was conducted between September 1994 and September 1996. For each state, researchers collected documents, examined archival data, and conducted interviews to obtain multiple sources of information about context, system design, governance structures, and performance. Over 200 interviews were conducted with state legislators, legislative staff, representatives from the governor's office, representatives from state budget and research agencies, state higher education agency officials, system and institutional presidents, chancellors and board members, and faculty. Documents reviewed include state budgets, master plans, statistical reports, board agendas, system histories, and newspaper accounts. All case study reports were reviewed for accuracy by knowledgeable individuals within the state.

Following the completion of the case study reports, a *comparative study* was developed to provide an interpretive synthesis of the data in the case studies. An *annotated bibliography* has been compiled to highlight relevant literature on governance in higher education, government, business, and K–12 education. The bibliography also includes several theoretical pieces that helped to frame the conceptual design of the research.

Throughout the project, the research team was guided by the advice of a National Advisory Committee comprised of 18 experts in higher education governance issues. We would like to thank each of the committee members for their assistance in this project (their names are listed in the Appendix to this case study). In addition, we wish to thank the following individuals for

their assistance in reviewing drafts of the case studies: Kenneth Ashworth, William Barba, Joseph Burke, Raymond Cardozier, Patrick Dallet, Cameron Fincher, Edward Hines, David Leslie, Marvin Peterson, William Pickens, Stephen Portch, Jack Smart, and Richard Wagner.

Kathy Reeves Bracco
Senior Policy Analyst
The California Higher Education Policy Center

This case study synthesizes interview data with other sources to paint a descriptive picture of governance and related issues facing New York's higher education system. The study is based on documents gathered from public offices, higher education institutions and relevant publications. Interviews with state officials, education administrators, board members, faculty, and staff took place in October and December of 1995, with telephone followup in 1996.

The Context of Governance: People & Politics

Few states can match the complexity of the environment of higher education in New York. Geographically, demographically, economically, and politically, the state is divided between New York City in the south and the rest of the state, upstate New York. The two public multicampus systems that govern all public higher education in New York are likewise divided: the City University of New York (CUNY) has 19 campuses in New York City, while the State University of New York (SUNY) has 64 campuses scattered throughout upstate New York. Every state has regional differences that influence the governance of higher education. Only in New York, however, are these regional differences—and disputes—reflected in the formal structure and governance of the state's higher education system. A strong private sector with 138 two- and four-year colleges and universities constitutes an influential third element in the state system.

Demography

New York, with 18.5 million people, is the third largest state in the nation. New Yorkers are generally well-educated, particularly in terms of the percentage of the population who has a graduate or professional degree (see Table 1). Over one-fourth of the state's population is minority and 23 percent of its households speak a language other than English at home.

Table 1

Contextual Variables for New York Compared to Selected States

(Numbers in Parentheses Represent Rank Among the Seven Study States)

Contextual Variables	*High (1–2)*	*Average (3–5)*	*Low (6–7)*	*U.S. Average*
Population (in Millions) (1995)		18.1 (3)		
Per Capita Income (in Thousands) (1995)	$26.8 (1)			$22.8
Potential Tax Revenue (1995–96)*†	134 (1)			100
New High School Graduates per 1,000 Population (1995–96)†			8.7 (6)	9.6
Role of Private Higher Education§	Major			
Role of Governor‡	Strong			
% of Population with Associate Degree (1990)		6.5 (4)		6.2
% of Population with Baccalaureate Degree (1990)		13.2 (4)		13.1
% of Population with Graduate or Professional Degree (1990)	9.9 (1)			7.2
% of Population 24 Years Old or Younger (1995)			34.0 (6)	35.5
% of Population that is Anglo (1990)		74.4 (5)		80.3
% of Population Who Do Not Speak English in Home (1990)		23.3 (3)		13.8
% of Population in Poverty (1994)		17.0 (3)		14.5
High School Dropout Rate (1992 to 1994 Average)			8.0 (7)	9.0

* This figure is expressed as an Index: National Average = 100.

Sources: Unless otherwise noted, data are drawn from *Chronicle of Higher Education Almanac* 43, no. 1 (September 1996), pp. 79, 81.

† From K. Halstead, *State Profiles for Higher Education 1978 to 1996: Trend Data* (Washington, D.C.: Research Associates of Washington, 1996), p. 65.

§ From Task Force on State Policy and Independent Higher Education, *The Preservation of Excellence in American Higher Education: The Essential Role of Private Colleges and Universities* (Denver: Education Commission of the States, 1990), p. 35.

‡ From J. M. Burns, J. W. Peltason, and T. E. Cronin, *State and Local Politics: Government by the People* (Englewood Cliffs, NJ: Prentice-Hall, 1990), p. 113.

Differences between New York City and the rest of the state are important in understanding the environment in New York. As Table 2 shows, New York City is home to over 40 percent of the state's population and a majority of the state's ethnic minorities. Of the 25,000 new high

school graduates expected between 1994–95 and 2003–04, almost 50 percent will be from the New York City and mid-Hudson regions.

Table 2

Distribution of State Population Between New York City and the Rest of State

	New York City	*Rest of State*
Total Population	7,332,564	10,667,891
White	3,166,125	9,297,064
Black	1,847,049	722,077
Indian	17,871	32,669
Asian	489,851	176,992
Hispanic	1,783,611	430,515
Other	21,157	8,574

Source: Compiled by the New York State Department of Economic Development from the 1990 U.S. Census.

Politics in New York State

The political environment of higher education in New York is characterized by the shifting interactions of three major players: the Governor and the respective leadership of the two legislative houses. Political party affiliations, regional interests and personal philosophical preferences overlay the formal roles of these players. For public higher education, less visible but still influential are the state control agencies that regulate other state agencies, as well as the colleges and universities.

The Governor

In November 1994, Republican George E. Pataki defeated Mario M. Cuomo, the three-term Democratic incumbent, for the governorship. Governor Pataki was elected on a platform that promised to cut taxes and shrink the government. As Governor, he is in the most influential position concerning the state's higher education system. He has line-item veto authority, he oversees negotiation of collective bargaining agreements, and he appoints, with Senate approval, all appointed SUNY Trustees. He appoints 10 of the 15 appointed members of the CUNY Trustees, and members to the local nine-member, largely advisory, college councils.

The pivotal role that a Governor can play in New York higher education is evidenced by the number of times that informed observers tag events with a Governor's name: Governor Dewey with the establishment of SUNY; Governor Rockefeller with SUNY's expansion and with institutional support of independent campuses; Governor Cuomo with declines in that support and with neglecting his role in the planning process; and at present, Governor Pataki with budget cutbacks.

Governor Pataki's priorities for higher education are, according to a state official, "to improve educational outcomes within the two public systems while simultaneously looking at economies of scale in those systems." He added that these should not be seen as mutually exclusive approaches, noting CUNY's efforts to move remedial education from the four-year to the two-year campuses as an example of their compatibility. At the same time, most respondents agreed that higher education is not a high priority for the Governor, and that employment is not his dominant issue. A senior SUNY central administration officer said that the Governor, in probing for the fundamental role of government, is asking the same questions of higher education as he is of all state services. So far, this officer said, the Governor "has not really articulated what" this probing means for the colleges and universities.

Some observers see the Governor as very supportive of private higher education and believe that the impact of the 1995–96 budget cuts was more damaging to the public sector than to the private sector. When elected, the Governor set up a ten-person "transition team" to advise him on higher education policy. This group was characterized by one observer as "dominated by the privates." A former member of the transition team said that getting more state support for the private sector was a major concern of the group, noting also that little thought was given to major questions of projected growth, location of campuses, and strategies for economic development. The head of an independent campus agreed, stating that "no one is really looking out for the whole picture."

The general belief among those in state government is that CUNY has done more to address issues of productivity and efficiency than SUNY. This more favorable impression of CUNY is attributed by a CUNY administrator to "bad feelings" or "bad experiences" that the Governor and senators may have had with SUNY, but not with CUNY. A legislator suggested that CUNY has fared better because its chancellor is more astute than SUNY's in political matters. He added that "the Governor knows that CUNY's urban constituency will put up a tougher fight than heavily suburban and rural SUNY."

The Legislature

New York has a full-time Legislature, one that has had a dramatic growth in staff since the early 1970s. A senior legislative staff member described the Legislature as "custodians" of higher education with a "fairly significant role" in setting the missions for the public campuses.

- The Senate in 1995–96 had a Republican majority of 37 to 24; of the 37 Republicans, 21 were elected from upstate districts and 16 from New York City (including 9 from Long Island). Of the 24 Democrats, 4 were elected from upstate districts, and 20 from New York City (with none from Long Island). Republicans have held a majority in the Senate for the past five years. Senators serve four-year terms. Gubernatorial nominees to the SUNY and CUNY governing boards are considered by both the Senate Higher Education and Finance Committees before approval by the full Senate.

- The Assembly in 1995–96 had a Democratic majority of 95 to 54; of the 54 Republicans, 37 were elected from upstate districts and 17 from New York City (including fourteen from Long Island). Of the 94 Democrats, 31 were elected from upstate districts, and 64 from New York City (including seven from Long Island). The Republicans gained six seats in the 1994 election. Members of the Assembly serve two-year terms.

Observers' perceptions of the chairs of the Higher Education Committees reflect the differing regional constituencies and party affiliations. We were told that there is greater focus in the Assembly than in the Senate on New York City issues, primarily concerning access and CUNY. The Senate, on the other hand, is said to be more interested in quality, economic development, job creation, and SUNY.

Under a Republican Governor, the Senate with its Republican majority appears to have more influence than the Assembly in higher education matters. Staff members of the Senate Higher Education Committee attend governing board meetings, and work to assert legislative priorities with Trustees and institutional officers. For example, a cooperative-extension engineering program involving four SUNY campuses is said to have resulted from informal conversations between the committee chair and the dean of engineering at a SUNY campus.

A Senate staff member said that the Legislature has generally called for greater funding for higher education than the Governor has provided, even when the Governor was a Democrat with a Republican majority in the Senate. This observer noted that actions taken by the Senate and the Assembly show that legislators believed that the Governor's 1995–96 budget cuts were too severe. He added, however, that the differences between the two houses "in terms of what higher education is all about are even more significant" than their differences with the Governor.

The State Agencies

The president of a SUNY campus pointed out that "the bureaucracy of SUNY and the bureaucracy of the State of New York are very different. SUNY leaves a great deal of independence to the campuses. However, the state bureaucracy is very oppressive." Similarly, a former chancellor of SUNY has deplored the "excessive regulatory climate of New York state government, . . . as enforced by enormous professional bureaucracies of the departments

and offices of budget, audit and control, general services, employee relations, civil service, Attorney General, education, and the like."

Although some regulatory measures have been softened—e.g., elimination of budgetary "line controls" on campus expenditures and limited campus authority to spend tuition revenue—the former chancellor of SUNY noted other major constraints of serious concern to SUNY's campus presidents:

- "the fact that most (not all) employees are employees of the State of New York, subject to civil service and other state regulations, and employed under bargaining agreements negotiated not by the SUNY Trustees, but by the Governor's Office of Employee Relations;

- "the fact that tuition is effectively controlled by the Governor and Legislature; not only in the gross revenue target, but in statutory restrictions upon tuition differentials and statutory determination of when the Trustees are allowed . . . to set the tuition schedule;

- "the fact that the Office of the State Controller and the Attorney General have expenditure and contract authority, except where SUNY has managed to get exemptions;

- "the fact that the Division of the Budget has the ability at any time to alter downward, at least for the state-operated campuses, the budget that was signed into law by the Governor and the Legislature;

- "the fact that the New York State Board of Regents has ultimate academic program approval authority."[1]

In New York, higher education's governing structures and processes must be understood in the context of the overarching state regulatory agencies that permeate them.

The Higher Education System: Structures

A unique, statewide agency—the University of the State of New York—provides limited coordination of all degree-granting public, independent, and proprietary colleges and universities in New York. Governance of public colleges and universities is divided between SUNY and CUNY. The private sector dominated higher education in New York until after World War II, and independent institutions still enroll over forty percent of the college and university students in New York (see Table 3). Student aid and collective bargaining are the responsibility of separate state agencies.

Table 3
Head-Count Enrollment by Sector, 1996

	Enrollment	*% of Total Head Count*
SUNY	369,881	38%
CUNY	204,655	21%
Independents	397,839	41%
TOTAL	972,375	

Source: New York State Education Department, "New York State Summary of Degree-Credit Enrollments by Sector and Level of Institution" (Albany: 1996), not paginated.

The State Coordinating Agency: The Regents and the State Department of Education

The Board of Regents of the University of the State of New York—to be distinguished from the State University of New York (SUNY)—was established in 1784 to govern King's College, now Columbia University. The 16 Regents are elected by the Legislature for five-year terms, one for each of the 12 judicial districts and four at large. They serve without pay. The Regents' administrative arm is the state Department of Education, and the Regents appoint the chief executive officer of the department, the commissioner. The Regents are responsible for the general supervision, planning and coordination of education at all levels, and postsecondary education is the responsibility of the Office of Higher and Professional Education in the Department of Education. This office coordinates the development of new campuses and

academic and degree programs, accredits every curriculum in the state, and periodically reviews academic degree and proprietary school programs to assure quality and compliance with state and federal regulations. The Regents do not have budgetary authority over the public institutions.

The Regents' policy priorities are, according to one of their officers: first, quality assurance; second, long-range planning; and third, equity and access.

The Regents consider themselves apolitical, but the process by which they are selected is not free of party influence. When a vacancy occurs on the Board of Regents, the chairs of the Higher Education Committees of the two houses are notified in January, and the Legislature, according to a legislative staff member, "basically runs help wanted ads . . . and as many as three dozen [respondents] may be interviewed by the committees." The leadership makes its selection, and, by joint resolution, the Legislature then elects the leadership's choice. If a joint resolution is not adopted by the first Tuesday of March, then on the second Tuesday, both houses meet in joint session to fill the vacancy. At present, the Democrats, who outnumber Republicans in such a joint session, control the process. Republicans boycotted a recent joint session. A former SUNY chancellor stated that the Regents "do get some good people despite the process for selecting them."

New York's governors, according to a former commissioner, "have generally resented the independence of the Regents, and have seen them as a legislative adjunct." For example, the Regents' statewide plan requires gubernatorial approval, but Governor Cuomo took two years to approve the first plan sent to him, and never acted on subsequent ones. Governor Pataki called for the elimination of the Regents' planning function, but a compromise resulted in lengthening the planning cycle from four to eight years.

The Regents' broad responsibilities for elementary and secondary education and the pervasive problems in that area severely limit the time, energy and interest that the Regents can devote to higher education. Unlike state higher education agencies in several other states, the Regents have not initiated proposals for higher education for many years.

A former SUNY chancellor described the Regents as "a very strong board with a great deal of authority," but said that they do not play a significant policy role in higher education. A senior CUNY officer agreed, but noted the value of the Regents' periodic review of doctoral programs and the link that the Regents provide between the public schools and four-year teacher education programs.

Public Higher Education in New York

SUNY and CUNY are large, complex, multicampus universities with a wide array of institutions. Both have origins as aggregations of older colleges, in contrast to those systems that are outgrowths of single flagship campuses. In their broad framework, the 1995–96 and

1996–97 New York state budgetary processes provide lenses through which to describe, contrast and compare the structure of CUNY and SUNY and their relationships with the Governor and the Legislature.

Elected in November 1994 on a platform that promised to cut taxes and shrink government, Governor Pataki submitted his first budget for 1995–96 to the Legislature in January 1995. This budget proposed a 31.5 percent reduction in appropriations for SUNY and a 27 percent reduction for CUNY. Both systems objected strongly on the grounds that reductions of such magnitude would require tuition increases that would damage student access. The SUNY Trustees, most of whom were holdover appointments of the previous Governor, argued that closure of some SUNY campuses would be necessary. According to an executive aide, the SUNY Trustees did not try to work with the Governor. A senior SUNY administrator, on the other hand, said that the chair of the Trustees tried unsuccessfully to arrange a meeting with the Governor. Soon afterward, the Governor replaced seven trustees whose terms had expired. Although these replacements were likely in any event, they were, according to an executive aide, "in some ways a punishment of the . . . SUNY board" for their "very reactionary response" to the Governor's budget.

Opposition from the Legislature as well as from the higher education community led to a budget compromise that restored some of the proposed cuts, but still reduced state support significantly and required steep tuition increases. In return, each system was required to produce a plan, due in December 1995, that would address issues of efficiency and cost-effectiveness and would focus on long-term strategies as opposed to short-term tactics such as deferring maintenance or freezing hiring. Moreover, the long-term plans would not rely on tuition increases or campus closures. Both systems submitted plans as required.

The 1996–97 Governor's budget again proposed reductions for SUNY and CUNY, and again the Legislature rejected many of these cuts. The Governor included several recommendations from SUNY's December 1995 report, *Rethinking SUNY*, in his budget. The major such recommendation proposed by the Governor and adopted by the Legislature created provisions that allow reserve funds, which would have otherwise reverted to the state, to be carried forward to the next year by the campuses. The Legislature rejected recommendations for a single budget line for the system and for differential tuition across SUNY campuses. Legislators also made it clear that the increases to the Governor's budget were provided to avoid SUNY's needing a tuition increase (CUNY had not sought an increase).

SUNY: The State University of New York

In 1948, the state placed a variety of two- and four-year colleges (none of which were a university) under a new board and a new chief executive officer. Today, in terms of the number of campuses and the diversity of offerings, SUNY could be considered a statewide governing board—if not for CUNY in New York City. In 1996, SUNY consisted of 64 campuses:

- 4 graduate research universities;
- 13 comprehensive colleges with selected master's programs;
- 4 specialized professional schools;
- 4 colleges of technology;
- 2 colleges of agriculture and technology;
- 5 "statutory colleges" located at Cornell University and Alfred University; and
- 30 community colleges.

SUNY is governed by a 16-member Board of Trustees, 15 of whom are appointed by the Governor. One *ex-officio* student member is selected by the student body. SUNY's chief executive officer has the title of chancellor. With one exception, each of two- and four-year state-operated campuses has a nine-member campus advisory council that reviews annual budgets, recommends candidates for the presidency (who are appointed by the SUNY Board), and manages buildings and grounds.

SUNY's 30 community colleges have "local sponsors" (usually one or more counties), whose financial contribution should not, by law, fall below 26.2 percent of the operating budget. Most community colleges are governed by their own nine-member board of trustees, with five members appointed by the local sponsor and four by the Governor.

Enrollment

As Table 4 indicates, enrollment at SUNY has declined over the past five years. The decline could be attributable to sharp increases in tuition or to declines in the number of high school graduates. (The number of high school graduates in New York declined from over 240,000 in 1979 to about 158,500 in 1993.[2])

Table 4

SUNY Full-Time Equivalent Enrollment, 1990 and 1995

	Four-Year	*Two-Year*	*Total*
1990–91	170,373	117,786	288,159
1995–96	161,031	126,420	287,451

Source: New York State Education Department, "New York State Summary of Degree-Credit Enrollments."

Mission

SUNY is responsible for all public campuses in the state other than those governed by CUNY. This responsibility for diverse institutions precludes the system from adopting a precise mission. SUNY's statutory mission is to provide "educational services of the highest quality, with the broadest possible access, fully representative of all segments of the population in a

complete range of academic, professional and vocational programs."[3] Regarding priorities, a former SUNY senior officer suggested that SUNY is more focused on quality than CUNY, the latter giving more emphasis to access. A SUNY college president agreed that emphasis on access is diminished, but was uncertain whether this was "a matter of policy or just a function of the budget."

Central Office and Campus Relationships

Candidates for president at each campus are screened by the local campus board, which recommends a single candidate to the chancellor, who recommends that candidate to the Board of Trustees for approval. Although the candidate is appointed by the state board, this procedure inspires little loyalty to the system; the primary goal of campus heads is to be supportive of their individual campuses. In early 1996, the board questioned the chancellor's practice of presenting only a single candidate for appointment. This is one of several areas of disagreement between the chancellor and the board that eventually led to the chancellor's resignation in spring 1996.

Tuition

SUNY's Board of Trustees has responsibility for setting tuition at the state-operated campuses, though the Legislature can influence the level of tuition through specific language calling for limited or no tuition increases. Undergraduate tuition at SUNY's four-year institutions averaged $3,400 in 1995–96, a 28 percent increase over the previous year. SUNY's community colleges set their own tuition. For 1995–96, community college tuition averaged $2,167, a ten percent increase over 1994–95. From 1990 to 1995, tuition increased 127 percent at the state-operated campuses and 58 percent at the community colleges.

The December 1995 Plan

SUNY experienced a wide range of transitions in 1995. During that year, a new chancellor, appointed before Governor Pataki's election, was brought in from outside the system. Seven new trustees were later appointed to the SUNY board by the new Governor to replace those whose terms had expired. Many respondents said that the new trustees were appointed to bring the Governor's priorities for reduced state expenditures to SUNY. Several interviewees also said that SUNY will be required to tighten its fiscal belt in the coming years.

Respondents' views on the impact of the new trustees were varied. At one extreme, a college president said that "the governing board is hell-bent on destroying the university." On the other hand, this same respondent criticized the former board as an "absentee board," saying that "they didn't show up or read the materials." He added, however, that "they'd go along and vote the right way." Others see the new trustees as an advantage in providing "access to the new Governor, which SUNY would not" otherwise have. A faculty member commented on the willingness of the new board members to listen to faculty concerns, and suggested that the new board members had not yet had time to become advocates for SUNY. The former chancellor who resigned because of disputes with the board seemed to agree, but later noted his

approval of the board's selection of his successor, saying that such selection indicated "that the trustees have had time to learn about SUNY."[4]

The 1995–96 budget negotiations gave some indication of changes that may be in store. Governor Pataki's initial budget proposed a $290 million cut for SUNY to be offset by tuition increases and expenditure reductions. The Legislature ultimately approved a reduction of about $185 million, with an understanding that there would be no campus closures. The campus closure ban seems attributable to the political clout of SUNY's geographically dispersed campuses; "every senator has a SUNY campus in his district," we were told by one respondent. Tuition increased dramatically from 1994–95, by 28 percent in the four-year institutions and 10 percent in the community colleges. In addition, the Legislature required that SUNY submit a "multiyear, comprehensive, systemwide plan to increase cost efficiency" in December 1995.

A senior SUNY administrator doubted that the Legislature expected much from its request for a plan, but said that the "Trustees decided to dig into the requirement." The plan that was submitted, *Rethinking SUNY*, was written, according to most respondents, under the direct guidance of the Trustees, who established four committees for that purpose.[5] A campus president and a number of vice presidents staffed the committees, and were supported by senior staff from the central office. A SUNY campus president said, "one of the problems with the approach to the December first report is that the board members do not trust SUNY central. They are working with the presidents rather than the central administration."

Rethinking SUNY calls for giving additional authority to the campuses, reducing central office staff by 30 percent, allowing differential tuition at the campuses, increasing faculty productivity, promoting "strategic alliances" among campuses, and shifting two of the three SUNY hospitals to local nonprofit organizations. Although most of these proposals have been under discussion in the state for some time and some would require legislative approval, the plan is significant as an aggregation of a range of proposals by those—the Trustees—who are primarily responsible for implementing them. Several of these proposals were included in the Governor's budget, but, according to a senior SUNY administrator, they were not high priorities when the Governor negotiated the budget, and therefore were not adopted by the Legislature.

In at least two respects (regarding campus closure and the statutory colleges), the plan does not go as far as some, inside and outside of SUNY, had either feared or hoped. Both of these issues are highly controversial, and both appear to have been finessed in the report.

> *Campus Closure.* SUNY has many small campuses that are widely dispersed across the state, either as political rewards for a community or to assure wide access for students. Whatever the reason, it is generally believed that SUNY is "overbuilt," but political reality has prevented simple closure of selected campuses, whether for economic or programmatic reasons. A senior SUNY administrator noted that "almost

all the SUNY campuses are in Republican districts." Before the report was issued, both a former chancellor and a state executive staff member described what appears to be one strategy in the plan: give the campuses greater autonomy and let the market force mergers or closures.

The Statutory Colleges. The five statutory colleges are the College of Ceramics at Alfred University and the colleges of Veterinary Medicine, Agriculture and Life Science, Ecology, and Industrial and Labor Relations at Cornell. The plan emphasizes the fiscal aspects of this relationship: In "1988 tax dollars . . . State University's core operating budget [was] $1.18 billion, with statutory colleges receiving $108.4 million. By 1995, the numbers were $733.1 million and $118 million respectively." The plan states that the board has initiated discussions with the two private campuses to work toward financial solutions. More fundamental questions about the value of the statutory college model were not raised. These colleges are only nominally part of SUNY. Should they remain so? Or could the model be extended?

CUNY: The City University of New York

The City University of New York is of complex origin. City College and Hunter College were originally under the city Board of Education, but with separate boards that were merged in 1926 into the Board of Higher Education. The name of the latter was changed to City University in 1961, when authority to grant doctoral degrees was given. In 1996, CUNY consisted of 19 institutions, all located in New York City. Six are two-year colleges; one senior college (City College) offers doctorates; eight others offer undergraduate and master's degrees; and three others offer only baccalaureate degrees. The remaining institution is the systemwide Graduate Center.

CUNY's four- and two-year colleges are governed by the Board of Trustees, which is comprised of 17 members, 10 appointed by the Governor and 5 appointed by the mayor of New York City. These trustees serve seven-year terms and must be confirmed by the Senate; a student and a faculty member serve *ex officio* for one-year terms.

Enrollment

Despite increases in tuition, enrollment at CUNY increased from 1990 to 1995, as shown in Table 5. Increases were attributed to the large numbers of immigrants entering the city and a relatively poor job market.[6]

Table 5

CUNY Full-Time Equivalent Enrollment, 1990 and 1995

	Four-Year	*Two-Year*	*Total*
1990–91	96,098	42,521	138,619
1995–96	100,457	48,759	149,216

Source: New York State Education Department, "New York State Summary of Degree-Credit Enrollments."

Mission

CUNY, unlike SUNY—indeed, unlike most complex, multicampus systems—has an explicit mission, one dating in substance from the founding in 1847 of the Free Academy, the predecessor of City College. The statutory mission, which is broadly accepted within CUNY, calls for "the strongest commitment to the special needs of an urban constituency."[6] In particular, a senior CUNY officer mentioned that he believes that CUNY benefits from the views of state residents "about immigrants in the best possible sense of that word. They are not anti-immigrant, and they remain proud of the city's role in providing immigrants with the first step up of upward mobility." One benefit of the explicit mission can be found in the good relationship between the Board of Trustees and the central office; an administrator at the central office described the Trustees' "loyalty and dedication to the university despite six-hour meetings, the lousy food they serve them, and the tension."

Central Office and Campus Relationships

Well known campuses—Hunter, Queens, Brooklyn, and City College of New York—enjoyed substantial autonomy prior to their consolidation into CUNY in 1961. For several years, it was unclear whether the founding chancellor would be able to exercise the central authority commonly associated with the position. But the present perception seems to be in line with the words of a legislative aide, who said, "CUNY tends to be much more of a system than SUNY." This is variously attributed to geographic proximity, the model of the systemwide Graduate Center, a relatively specific mission, and the absence of the "prestige pyramid" found in SUNY. A senior CUNY officer said that it must "focus academically on what we need to do for students now, rather than on what we were doing 20 years ago. We need to start acting more like a system than 20 unique colleges." He added that systemwide accounting and computing services were being initiated. One campus head strongly agreed: "Looking at issues of access and quality across campuses and asking questions about the best models for using resources is a move to make CUNY a university rather than a federated system of colleges." Another campus head said that the system is necessary, but that as presently organized, it does not allow sufficient flexibility to each campus to meet hard financial times.

The CUNY board took several controversial actions to respond to the recent budget cutbacks, actions that have been widely criticized by faculty and employee groups. In the summer of 1995, the CUNY board declared that the system was in a state of "financial exigency," which

allowed it to take some cost-saving actions permitted by state law only in times of fiscal crisis. The board voted to terminate 159 tenured faculty and to "abolish, consolidate, or merge" over 30 academic programs at its four-year institutions.[8] Several groups, including the professionals' union and Faculty Senate, brought a lawsuit against the board for taking these actions. In April 1996, a state court invalidated the Trustees' actions, arguing that the state of fiscal emergency identified in February 1995 with the Governor's proposed budget had largely disappeared by June 1995 when the Board voted on the cost-cutting measures. This ruling was overturned in December 1996 by a state appellate court, which ruled that the Trustees had acted "properly and in good faith" in their declaration of a fiscal emergency. This action clears the way for the original board action.[9] Prior to either the lower court or appellate ruling, however, the board declared a second state of fiscal emergency in March 1996, this time just for the four-year colleges, "paving the way for possible layoffs of more than 1,300 faculty and staff members."[10] The court rulings do not affect this most recent declaration.

The December 1995 Plan

In 1995, the Legislature requested multiyear plans from both SUNY and CUNY that would improve the efficiency of system and campus operations. The Legislature qualified the request to CUNY, however, specifying that it outline "its progress on and proposals for . . . efforts to improve program quality and efficiency." This qualification recognized that CUNY had already initiated on-going program review in 1991. This review has resulted in "campus decisions to suspend, consolidate or close 128 programs during" the three years prior to the submission of CUNY's response to the Legislature in December 1995.[11]

The December 1 Report outlined several actions undertaken by CUNY to improve quality and efficiency, including: 1) attempts to restructure areas such as freshmen assessment, remediation, basic skills, and English as a Second Language (ESL); 2) encouragement of strong campus-based planning and distinct campus missions; 3) periodic review of all degree programs including guidelines for determining when program suspension, closure and consolidation should occur; and 4) efforts to improve instructional productivity and to find efficiencies in campus operations.

Private Higher Education

Private institutions of higher education dominated higher education in New York for almost two centuries, and are still highly influential. There are 138 private colleges and universities in New York, most of which are represented in Albany by the New York Commission on Independent Colleges and Universities (CICU). The independent sector is very diverse, with large and prestigious graduate and research centers, prestigious liberal arts colleges and universities, and numerous small colleges struggling with financial and enrollment problems. As well as enrolling approximately 40 percent of the state's students, independent colleges and universities produce approximately 58 percent of the bachelor's degrees, 69 percent of the graduate degrees, and 83 percent of first professional degrees (such as law degrees).[12]

Prior to the mid-1960s, a merit-based student aid program benefited private institutions, as well as covering the full cost of tuition at SUNY. Increasing costs at the private campuses required increased tuition, and their competitive position vis-a-vis SUNY declined. Governor Rockefeller, concerned about the financial viability of the private sector, appointed a commission headed by McGeorge Bundy to explore the problem. The commission's recommendations resulted in legislation establishing "Bundy Aid," essentially unrestricted aid directly paid to independent colleges and universities based on the number of degrees awarded.

Bundy Aid is administered by the Regents. The Legislature rejected Governor Pataki's proposal in 1996 to transfer the program to the Higher Education Services Corporation. From 1990 to 1992, state funding for Bundy Aid declined from approximately $100 million to some $40 million, and has remained relatively constant since then. In 1995, the private sector urged the Legislature to raise the appropriation to the maximum statutory limit of $120 million, but the increase of $2 million in the 1996–97 budget fell far short of that. A state agency official suggested that the decline in support has been attributable to perceptions "that public higher education is purposeful, while private higher education is elite." A SUNY administrator said that there is usually close cooperation between the public and private sectors on issues regarding support for students and student financial aid, but that "there are major differences on issues of institutional aid." Many in the private sector, however, believe that need-based Tuition Assistance Program (TAP) awards, originally intended largely for students in the private sector, are now disproportionately used by students in the public sector.

A private university president predicted that the independent sector, depending on the state fiscal situation, will fare better under Governor Pataki than in the recent past. In 1995, CICU staff members noted their concern that some public community college students received a full federal Pell Grant and also the maximum state TAP entitlement. The Governor's 1996 budget proposed taking into account the availability of federal student aid in calculating TAP awards, following the recommendation of the independent colleges and universities. This proposal was rejected by the Legislature.

State Higher Education Services Corporation

The State Higher Education Services Corporation is responsible for the administration of student financial aid. The corporation has a ten-member board that includes the chancellors of CUNY and SUNY as *ex-officio* members. The corporation's president is appointed by the Governor.

An officer of the Services Corporation said, "there has been pressure in New York to maintain access possibly at the expense of excellence." He suggested greater focus on results, noting that private institutions have had better results with minority students than the public ones have had. He said that accountability is more important than system governance in achieving results.

The major student aid program in New York is the need-based Tuition Assistance Program (TAP), an entitlement program for students. TAP was initiated in 1974 as a need-based program to help students attend the institution of their choice. In particular, it was designed to maintain access to the independent institutions. In 1992–93 for the first time, the amount of TAP money going to students at public institutions surpassed that going to students at private institutions. Table 6 shows the distribution of TAP awards in 1990–91 and 1995–96.

Table 6

Distribution of TAP Awards, 1990 and 1995

	1990–91	*1995–96*	*% Change 1990 to 1995*
CUNY	$56,738	$156,935	177%
SUNY	$89,935	$170,440	90%
Independents	$205,611	$215,038	5%
Other	$82,203	$73,476	–11%
TOTAL	$434,487	$615,889	42%

Source: The University of the State of New York, State Education Department, *Annual Report by the Board of Regents to the Governor and Legislature on Student Financial Aid Programs* (Albany: 1991 to 1996 editions).

The cut-off point for TAP eligibility is taxable income of approximately $50,000. About 40 percent of the students at SUNY and in the private institutions receive TAP awards; at CUNY about 70 percent do. Since 1990, TAP funding has increased from just under $400 million to over $600 million because of its entitlement nature and because of increases in tuition in the public sector.

In the 1995–96 state budget, a cap of 90 percent of tuition at CUNY and SUNY was placed on TAP awards, reflecting the belief that students "should have to pay something in tuition and fees." The Governor's 1996–97 budget called for a $125 million cut in TAP spending. The cut, which was supported by the independent institutions, would have resulted from a change in the calculation of TAP eligibility. If the proposal had passed, Pell Grants that students receive would be factored into the calculation of their TAP awards, so that the combined TAP and Pell awards could not exceed tuition for those with no net income. This would lessen the TAP award received by the poorest students, and would primarily affect students at CUNY and SUNY. This proposal was not approved by the Legislature, and the Governor's proposed $125 million cut was rejected.

Collective Bargaining

SUNY: The Governor's Office of Employee Relations

The faculty and professional staff at SUNY's state-operated colleges are represented in collective bargaining by the United University Professions, an AFL-affiliate with about 22,000 members. The Governor negotiates with the union through his Office of Employee Relations. Non-teaching employees—for example, clerical and security employees—are represented by other statewide unions, and bargaining for these employees takes place along with that of other state agencies. SUNY's classified staff are part of the state-classified civil service system, so SUNY hires from these state lists. Governors have generally accepted the results of collective bargaining in preparing state budget requests. For the community colleges, bargaining is done by local unions.

SUNY officers sit in on the collective bargaining negotiations. According to one such officer, although the SUNY officers are sometimes consulted, their participation is "only *pro forma*." Some trustees and institutional leaders believe that SUNY itself should do the bargaining. And some SUNY campus presidents believe that bargaining should take place at the campus level. A former chancellor said that the contract is not with SUNY but with the state, adding that it is a strong management contract that does not bind SUNY to salary scales, but that allows SUNY to match salary offers and discharge tenured professors.

Relationships between the faculty union and the SUNY Faculty Senate, often contentious in the past, are said to be good, both working together to improve the dialogue with board members. The union, according to a member of the Faculty Senate, bargains over "terms and conditions of employment for faculty, while the systemwide Faculty Senate serves as an advisor to the chancellor on education policy issues." A senior SUNY administrator agreed that there is a division of responsibility between these two organizations, but said the division is not quite so clear-cut.

CUNY: The System at the Bargaining Table

The CUNY faculty are represented by the Congress of Federated Unions, and the CUNY central office conducts collective bargaining negotiations. As a result of the academic planning program reviews, over 100 tenured faculty members were laid off in 1995. Both the faculty union and the Faculty Senate sued CUNY over these layoffs, and had initial success in the court. The lower court decision, however, was overturned by an appellate court in December 1996.

As an aside on unions, CUNY provides over two-thirds of the public school teachers in New York City, while the teachers' union controls jobs. CUNY's efforts to provide more science and mathematics teachers have run into difficulties because teachers' union rules allow more

senior teachers to bump newer teachers even for those positions where the more senior teachers may be only marginally qualified.

The Processes of Governance and Coordination

Higher education maintains and advances New York's policy priorities of access, quality and equity through planning, budgeting and program review. All of these processes rely on information, and all are interdependent.

Planning

For many years, the Regents have overseen a formal, statewide master planning process for higher education that called for SUNY, CUNY and the independent colleges and universities to prepare master plans every four years and progress reports every two years. The Department of Education took these plans into consideration in developing a statewide master plan for higher education.[13] During his administration, Governor Cuomo disregarded a requirement of gubernatorial approval. Governor Pataki proposed to eliminate the Regents' planning role, but accepted a compromise that changed their role in three major respects:

1. The planning cycle was lengthened to eight years with amendments every four years.

2. The Regents will review only major changes, such as a campus' desire to go from a two-year to a four-year institution or to begin to offer either master's or doctoral degrees.

3. The Regents will review mission changes only for their quality, and no longer for their appropriateness to the campus. A Department of Education officer said that SUNY "will have to look much more closely at issues of system need and at duplication than they have in the past."

Statewide planning in New York is weak because it is almost completely isolated from the budgetary process. A CUNY officer characterized the Regents as having a "nominal planning role." A SUNY officer stated that the Regents' "planning process and the document produced has long been considered as an ineffectual chore." The Regents, however, are the only agency with responsibility, even without budgetary authority, for all higher education in New York. Their long-range plans—essentially, their commentary and actions on SUNY and CUNY plans—provide, as a Regents' officer stated, "an opportunity to lay out goals and aspirations and ways to measure progress for higher education in New York." As a practical matter,

however, the statewide planning process is useful only as a context for the Regents' program review responsibilities.

Planning at SUNY and CUNY

The formal requirements of the Regents' planning process have largely determined planning at SUNY and CUNY in the past. The impact of the changes made in the statewide process in 1995 will undoubtedly be reflected at SUNY and CUNY, but it is too early to determine the shape of these changes.

Except as a setting for changes in programs or institutional missions which ultimately required the Regents' approval, past SUNY and CUNY four-year master plans have had little impact on system operations. Aside from the formal planning required by the Regents, the SUNY central office developed plans (*SUNY 2000* and *SUNY 2000, Phase II*) focusing on the availability, demand and centrality of academic programs at the campuses. According to a senior SUNY officer, however, opposition by some campus presidents and interested legislators prevented adoption of a comprehensive plan that might have led to campus closures or mergers. On the other hand, a SUNY campus executive stated that "there is no common plan and never has been." The December 1995 plan, *Rethinking SUNY*, which was required by the Legislature, may be the beginning of more substantive academic planning at SUNY, although a SUNY officer predicted that the Trustees' emphasis on decentralization and market forces would work against systemwide planning.

In contrast, in the early 1990s the CUNY board, according to a CUNY officer, was "unhappy with increasing tuition as a major device for responding to state fiscal problems" and "took a strong position on academic program planning." He noted that CUNY had advantages that SUNY lacked: geographic proximity of campuses and the availability of public transportation. Others suggested that CUNY's acceptance of specific priorities (regarding access and service to an immigrant population) are additional advantages. A year or so prior to system adoption of academic program planning, a similar procedure had been initiated at Baruch College by a new president who strongly believed that fiscal pressures required setting academic priorities. This example of planning at Baruch College was transferred within CUNY's compact structure. An additional factor that helped in implementing systemwide planning was the universitywide graduate program and Graduate Center, which brought together faculty from all campuses. A CUNY officer said that program planning is now an ongoing academic process. The chancellor identified the primary issues to be addressed, but said that "the exact nature of the process and the format of the reports" vary with the "culture" of each college.

Budgeting

Typically, SUNY and CUNY submit preliminary budgets to the State Division of the Budget in September for the state fiscal year that begins April 1 of the following year. These preliminary requests are based on Division of the Budget guidelines, including allowed

inflation adjustments and estimates of institutional revenues. Enrollment is treated as a programmatic issue, not as a workload adjustment. The fiscal year for each university system begins on July 1. Formal submissions are made after the respective boards act on the budgets. Historically, the Division of the Budget held public hearings on these requests, but these hearings are now held in closed sessions. The Governor submits the executive budget request in January, and has 30 days thereafter to amend it. Under the state constitution, the Legislature is required to pass the budget by March 31, but it often does not do so until May or later. In the public legislative hearings that follow submission of the Governor's budget, legislators focus on the total proposed expenditures rather than on special items or special treatment of campuses. The exception, a legislative staff member noted, is in funding capital projects.

A senior CUNY officer said the budgets for CUNY and SUNY are essentially "non-competing," noting CUNY's political support in the Democratic Assembly and SUNY's support from the Governor and in the Senate.

In the budget process the Legislature maintains the "facade" that CUNY is the city's university, according to a legislative staff member. CUNY's four-year institutions are budgeted as a city institution, then reimbursed by the state for 100 percent of the city's costs. This separation in the budget is for appearance only, said this staff member, to acknowledge that in terms of its governance, CUNY is a city institution.

Table 7 shows the changes in state and local resources for SUNY, CUNY, the independent institutions, and the TAP program over the last five years. While state support for SUNY has declined in real terms and state support for CUNY has declined significantly over the five-year period, funding for the TAP program, which is structured as an entitlement, has outpaced inflation. State funding for independent institutions decreased significantly during this period.

Table 7

Changes in Support for Higher Education, 1990 and 1995

(Dollars in Millions)

	1990–91	*1995–96*	*% Change*
SUNY			
State Support	$1,849.6	$1,888.3	2%
Local Support	$251.9	$296.0	18%
CUNY			
State Support	$739.4	$622.7	–16%
Local Support	$165.1	$107.5	–35%
Independents			
Bundy Aid	$197.4	$39.0	–66%
TAP	$434.5	$615.9	42%
U.S. CPI	130.7	156.3	20%

Sources: State University of New York, Budget Development Office, 1996; City University of New York, *The Chancellor's Budget Request*, 1991–92 through 1996–97 editions (New York: 1991 through 1996); Commission on Independent Colleges and Universities, 1997; University of the State of New York, State Education Department, *Annual Report on Student Financial Aid Programs* (1991 to 1996).

Budget Formulation

Neither SUNY or CUNY uses explicitly enrollment-driven formulas in developing their budget requests to the state. At SUNY, however, the level of tuition income is an incentive for meeting the enrollment levels stated in the request. If a campus is over-enrolled, it does not receive additional funds. If it is under-enrolled, then it could face trouble in the next budget. There is strong belief at the campuses that they should be able to retain tuition income, and a device was developed through system negotiation with the state Division of the Budget to permit this to a limited extent. At CUNY, on the other hand, four-year campuses are allowed to keep tuition dollars in excess of projections, but must also carry forward responsibility for deficits.

Until recently the budget requests of both SUNY and CUNY have been aggregations of campus requests after internal review. At present, however, both systems appear to be maintaining this aggregation for a core budget request for items such as salary increases and inflation, but consolidating special campus requests and tying them to systemwide initiatives. In SUNY, campus heads sometimes lobby their legislators for a specific project that may show up in the state budget as "higher education miscellaneous," which is not part of the regular SUNY budget.

Budget Allocation

SUNY and CUNY are given greater flexibility than other state agencies in how appropriations can be spent and distributed. Although there is a schedule of payments to each campus, money can be shifted from one campus to another, but in most cases this would have to be justified to the Legislature. When midyear reductions in the state budget are made, then both systems are free from the usual control limits on shifting funds across budget lines. In SUNY, allocations are seen as "essentially across the board," according to one campus head, a perception that may be based on the inability of the allocation process to deal with precipitous enrollment losses at several campuses. In CUNY, although the allocation process seems to be in flux, the central office is seen as allocating funds to reflect the chancellor's priorities—for example, to fund a central institute for English as a Second Language with funds requested for campus programs.

SUNY places an upper limit on the tuition that community colleges can charge, but few are at that limit. A community college president stated that neither "SUNY central nor the SUNY Board of Trustees take a critical look at our budgets . . . . This is all done locally" by the local board of trustees. The CUNY Board of Trustees is the "local board" for the community colleges in that system.

Both SUNY and CUNY build incentives into the allocation process. SUNY has attempted to improve articulation by giving additional funds to four-year colleges based on their enrollment of graduates of two-year campuses. CUNY uses its control over new faculty positions to encourage compliance with systemwide objectives.

Program Review

Academic program review can serve several purposes: it can assure the *quality* of both proposed and existing programs, including the *readiness* of a campus to mount a new program; it can assess *appropriateness* of a particular program to a particular campus; and it can determine if there is a *need* for a new program or a continuing need for an existing one. In New York, program review takes place at three levels: at the state level, by the Regents; at the multicampus system level, by the CUNY and SUNY central offices; and at the campus level, by campus personnel. In all three instances, outside specialists often assist in the reviews.

At the state level, the Regents' major point of contact with institutions is in the quality-review area. Programs offered by institutions that are from outside New York are subject to Regents' approval, and the Regents' insistence on quality is said to have avoided having "degree mills" in the state. Program review is periodic and usually takes place at an institution once every ten years. In the 1970s, the Regents terminated several doctoral programs in SUNY, and, when challenged by the state university, the Regents' authority to do so was upheld in court. Regarding new program approval, a former SUNY chancellor said that Regents' reviews

"duplicate what the system already does, and that program approval would be better handled by the SUNY central administration." A SUNY campus president agreed, noting that "the issues are too political," and that the Regents back down under pressure of the private sector when competing programs are an issue.

A senior administrator at CUNY said the Regents' periodic reviews of doctoral programs are valuable, noting that outside experts are brought in to review all doctoral programs in a given area for the entire state. Such reviews provide leverage for accomplishing goals that might otherwise be difficult to achieve. CUNY's own academic program planning depends on review of existing programs, as well as approval of new ones. This planning process was initiated to guide reallocation of support and has not been perceived as simply a way to give money back to the state. In the three years following its initiation in 1992, 128 programs at CUNY colleges were suspended, consolidated, or phased out. During the same period, 38 new programs were approved by the board. CUNY requires periodic program reviews at its campuses and is drafting guidelines for *ad hoc* reviews of particularly weak programs that fail to sustain adequate levels of activity and resources.

Information

The Regents monitor graduation rates and require institutions to publish time-to-degree information, including successful completion of licensing examinations by graduates of various programs. A Regents' officer noted that there "is a lot of lip service and report cards going on around the country, but . . . the basic information that people should know is still lacking." He added that the Regents are now working on performance indicators, ones that would allow the institutions to set their own directions. He noted also that the independent sector "really relies on the data that we collect," and use it to make their cases to the Legislature.

SUNY central staff believe that good information about performance and relative levels of quality and activity at different institutions is available, but that neither the central office nor the Trustees have used it to the extent that they should.

The CUNY central office is upgrading its management information system, which, according to a campus head, does not at currently allow campus collection of needed information.

Observations

Interviews for this New York Case Study Summary were conducted in 1995, with limited follow-up in 1996. Since 1995 was the first year of Governor Pataki's administration, the implications of proposed budget reductions tended to dominate responses to questions about the structure and organization of the state's higher education system. Nevertheless, and despite sometimes conflicting opinions, 19 findings about that system can be drawn from these responses.

1. *State Priorities*. Access to and the quality of higher education have been established as important priorities for the State of New York, but there is little agreement on the methods of achieving them.

2. *Regional Structure*. New York is unique among the study states not only in the regional structure of public higher education but also in that structure's reflection of the political divisions of the state.

3. *The State Budget and Education Policy*. The annual state appropriations process is the only process in New York in which the roles, responsibilities and support of public and private higher education are deliberated. In the appropriations process, the primary problems and priorities are fiscal ones and the focus is on short-term solutions. The state's capacity to develop explicit public policy goals, build consensus around them and assess progress in meeting them is very limited.

4. *Coordination: The Regents*. The role of the Regents as a statewide coordinating board appears to be declining. The Regents lack budget authority in a time when policy decisions in New York have been dominated by financial considerations, and they are preoccupied with issues of elementary and secondary education. Their master planning role has been reduced. Currently, the Regents' political influence is further reduced with a Republican Governor because the method of election permits selection of Regents by Democrats in the Legislature, even though Democrats control only one house. Some within government and higher education said that the Regents are too close to the independent sector of higher education. Yet the Regents remain the only policy body with a scope that includes both public systems of higher education and private higher education.

5. *Coordination: The Regents and Program Review.* The Regents' primary authority lies in their ability to approve programs. Several individuals we interviewed said that they consider the apolitical nature of the Regents and its focus on quality—particularly at the doctoral level—as strengths.

6. *Coordination: Public School Responsibilities.* Evidence was lacking to show that the Regents' broad responsibilities for elementary and secondary, as well as higher, education has strengthened coordination or collaboration between schools and colleges.

7. *Coordination: General Satisfaction.* Although the Regents received mixed reviews regarding their influence and effectiveness, and the Governor recommended their elimination, most New Yorkers interviewed appear generally satisfied with the statewide organization of higher education.

8. *Coordination: Master Planning.* The Regents' master planning process, widely considered as not particularly effective and further diminished by recent legislation, remains the only process that seeks to articulate statewide goals and aspirations, and to assess the state's overall progress.

9. *Articulation Within Systems.* The perception of interviewees was that articulation works well because each regional New York system encompasses both two- and four-year institutions.

10. *SUNY: A Time of Uncertainty.* SUNY was studied at a time of major changes: almost half of the system's governing board had been in place for less than a year; a new chancellor, whose tenure was ultimately very brief, had assumed office just prior to the appointment of the new board; budget cuts had been imposed in the first year of the Pataki administration; and further budget cuts were anticipated in the next budget year. One consequence: among state policy makers and campus and system administrators and governing board members, major issues were very much "in play," including the appropriate roles of campus administrations and the system office, the size and scope of the system staff, the cohesiveness of SUNY as a system, the role of the governing board, and its relationship to system and campus administrators

11. *SUNY and Politics.* The size and geographical dispersion of SUNY and the heterogeneous missions of its campuses represent strength and weakness. Politically, SUNY mirrors the recent shifts in New York State politics toward greater upstate and Republican control, even dominance. The dilemma is that the survival and well-being of each SUNY institution is a matter of concern to the local legislators who may support budget cuts and resist tuition increases while seeking to protect particular institutions.

12. *SUNY: The Board and the Campuses.* The linkage of the SUNY Board of Trustees with the SUNY campuses is weak. Some regard this as a strength of SUNY: campus autonomy is relatively strong, the board is not familiar with individual campuses, and campus presidents have little contact with it.

13. *CUNY as a System.* CUNY was perceived as more cohesive, more focused and more responsive to changing financial circumstances than SUNY. Fewer campuses, geographic proximity, and a tradition that includes consortial arrangements were perceived as advantages that SUNY does not have.

14. *CUNY: Leadership.* The primary issues that were raised regarding CUNY tended not to be structural in character. In contrast to SUNY, issues of tactics and leadership style were mentioned more frequently regarding CUNY, with both praise for and criticism of current leadership.

15. *CUNY: Restructuring.* Differences around specific actions and policies notwithstanding, CUNY is credited with having taken major steps toward restructuring and rethinking campus programs and missions, and with being considerably in advance of SUNY in this respect.

16. *CUNY: The State Budget.* The view—in Albany as well as in New York City—that CUNY has made major progress on restructuring has not spared the system from cuts.

17. *Private Higher Education: A Major Factor.* Independent colleges and universities play a larger role in New York than in the other six states that were studied, as evidenced by the fact that independent institutions enroll approximately 40 percent of the state's students, and award approximately 58 percent of the bachelor's degrees, 69 percent of the graduate degrees, and 83 percent of the first professional degrees.

18. *Private Higher Education: State Support.* Public policies regarding state appropriations for public institutional support, for the Bundy Aid program and for student financial assistance significantly influence the distribution of students among public and private institutions.

19. *Private Higher Education: State Support.* There is a long history of contentiousness between public and private higher education in the State of New York. Independent institutions were hit hard by the reduction of Bundy Aid (by approximately 60 percent) in the first half of the 1990s. And privates have lost "market share" of the Tuition Assistance Program to publics in the 1990s, even though their actual support has increased. Advocates of public higher education argue that state generosity to students has been at the expense of institutional funding of public campuses.

Continuing Issues

The major challenge that New York's higher education system will face over the next five to ten years will be to maintain levels of quality and access in the face of limited state resources. Not only are national and state economies problematic, but the funding needs of other state services—K–12 education, welfare, health care, and corrections—will be legitimate competitors for state dollars. Major issues related to the structure of the state system were apparent during 1995, and these issues are unlikely to be quickly or easily resolved.

1. *The Political Context and Party Politics.* The public and private higher education sectors operate in an intensely partisan, political environment. In virtually every interview, the implications and importance of state politics were mentioned, wholly aside from the immediate philosophical and fiscal issues of the "Pataki revolution." Higher education has benefited when the Governor and legislative leadership have agreed on a major course of action—for example, the establishment of SUNY, and the enactment of Bundy Aid for the private institutions. When they have disagreed or have simply not been interested, statewide leadership for higher education has been lacking.

2. *Statewide Planning for Higher Education.* For many years, the Regents have overseen a planning process that required SUNY, CUNY and the independent institutions to prepare four-year master plans, with interim, two-year progress and amendment reports. As a context for the Regents' procedures for program approval, these plans were important for the campuses, public and private. The plans, however, had little impact on executive or legislative policy or—excepting program review—on state higher education. In 1995, the planning cycle was extended from four to eight years, but it is not apparent how this attenuation will strengthen statewide planning. Only with greatest difficulty can an agency without budgetary authority such as the Regents influence policy through planning alone.

3. *SUNY: A System in Search of a Mission.* SUNY has responsibility for 64 academically diverse and geographically dispersed campuses ranging from research universities—one a member of the American Association of Universities (AAU)—to virtually self-governing community colleges. The breadth of responsibility makes precise definition of a mission difficult, particularly since ultimate planning and program review authority resides with the Regents. In the mid-1990s, the roles of the system Board of Trustees and the central administration is unclear.

a. *Decentralization.* The SUNY campuses seek greater autonomy and control over areas such as tuition and collective bargaining. Similarly, under a chairman who believes that "central planning is counter productive,"[14] newly appointed board members favor a free-market approach and devolution of authority to the campuses. The outcome of these pressures for decentralization is uncertain.

b. *Campus Closure.* Many SUNY campuses were designed as small, regional institutions. As such their costs per student are high, particularly at the six, two-year agricultural and technical colleges. In some program areas, these colleges duplicate offerings at the 30 community colleges. Many Republicans in the Legislature oppose campus closures because the campuses are of economic benefit to their districts; many Democrats oppose closures because they would reduce student access. In *Rethinking SUNY*, the Board of Trustees stated that SUNY "is encouraging strategic alliances" to link together some of these smaller campuses" and to build partnerships with the private sector. The future of several campuses remains uncertain.

c. *The Statutory Colleges: Public or Private?* The five statutory colleges (four at Cornell University and one at Alfred University) have not been subject to the same budget constraints as SUNY. From 1988 to 1995, SUNY's core operating budget was reduced by almost 25 percent, while state funds "passed through" by SUNY to the statutory colleges increased by almost nine percent.[15] In *Rethinking SUNY*, the board advised the Governor and Legislature that it was working toward fiscal solutions with Cornell and Alfred, but resolution remains uncertain.

d. *The Hospitals.* SUNY operates three hospitals, in Brooklyn, Syracuse, and Stony Brook. In *Rethinking SUNY*, the Trustees recommended that the first two be reorganized as a public benefit or not-for-profit corporations to give them greater management flexibility than they have under SUNY control. The Trustees also recommended that similar flexibility be given to the hospital at Stony Brook, pending the results of an external financial review. The future of these hospitals as units of SUNY is uncertain.

e. *The Community Colleges.* Community college leaders see inclusion of their institutions in SUNY as a benefit in the form of prestige, but not by way of practical help. Articulation with SUNY's four-year campuses is uneven at best, and largely local. In *Rethinking SUNY*, the Board of Trustees reported that a group of community college presidents were preparing a position paper on the role of the 30 community colleges in SUNY.

4. *CUNY: Work in Progress.* CUNY's 19 institutions are almost as diverse as SUNY's, but their common, urban mission and geographic proximity has facilitated system planning. CUNY appears to face two major unresolved issues:

    a. Based on the ongoing academic program planning process, the system Board of Trustees declared a fiscal emergency that led to the termination of some tenured and other faculty. This declaration was upheld by an appellate court in December 1996. A second declaration of fiscal emergency in March 1996 could pave the way for additional layoffs. The ultimate status of the terminated faculty and the implications of court action for the academic program planning process are major uncertainties.

    b. CUNY has, according to a senior administrator, "the poorest students of any place in the country, but also perhaps the most talented . . . 21,000 students in CUNY [are] on welfare." Thirty years ago, the system consisted of highly selective colleges which, fully supported by the City of New York, did not charge tuition. It now has open admissions, charges substantial tuition, and has seen its four-year colleges become state supported. Even with CUNY's close relationship to the public schools, it is as yet unclear how CUNY will accomplish its difficult urban mission under these changed circumstances.

5. *The Private Sector: The Uncertainty of State Support.* Fifty years ago, the private sector opposed the establishment of SUNY, and has been in competition with it ever since. The private sector's four-year, degree-granting institutions are even more diverse than SUNY's. State institutional support for the private campuses (Bundy Aid) declined substantially under former Governor Cuomo, and it appears unlikely that it will increase substantially in the near future. With "excess capacity" of some 30,000 to 40,000 spaces, the private sector could take more New York students and relieve some of the financial pressure on the state and its public institutions. The private sector also faces the possibility that less popular campuses may not be viable without increased state support.

Appendix

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Notes

[1] Memo from D. B. Johnstone, former chancellor of SUNY, to F. V. Salerno, chair, SUNY Board of Trustees, and T. Bartlett, chancellor of SUNY, November 10, 1995.
[2] State University of New York (SUNY), Office of University Relations, *Overview: State University of New York 1995* (Albany: 1995), p. 34.
[3] Statute quoted by the Board of Trustees in SUNY Board of Trustees, *Rethinking SUNY* (Albany: 1995), Appendix C.
[4] K. W. Arenson, "Sour Ending to a Top Education Role," in *New York Times* (July 29, 1996), p. B2.
[5] SUNY, *Rethinking SUNY*, not paginated.
[6] The University of the State of New York, *The Regents 1992 Statewide Plan for Higher Education in New York State* (Albany: 1992), p. 12.
[7] New York State Education Law, Article 125, Section 6201.
[8] P. Schmidt, "State Court Overturns Cuts Ordered by City U. Of New York," in *Chronicle of Higher Education* 42, no. 35 (May 10, 1996), p. A41.
[9] P. Schmidt, "Appeals Court Upholds 1995 Cuts at CUNY," in *Chronicle of Higher Education* 43, no. 20 (January 24, 1997), p. A22.
[10] P. Schmidt, "Trustees Declare Financial Emergency at City U. Of New York", in *Chronicle of Higher Education* 42, no. 30 (April 5, 1996), p. A27.
[11] City University of New York (CUNY), *Progress Report on Academic Program and Other Planning Activities* (New York: 1995), p. 9.
[12] Commission on Independent Colleges and Universities (CICU), *The Commitment and Capacity to Serve New York State* (Albany: 1995), p. 24.
[13] New York State Education Department, "The Structure of Higher Education in New York State" (Albany: 1996), not paginated.
[14] E. Bernstein, "SUNY Grand Vision and Pragmatism Collide," in *New York Times* (March 4, 1996), p. A1+.
[15] SUNY, *Rethinking SUNY*.

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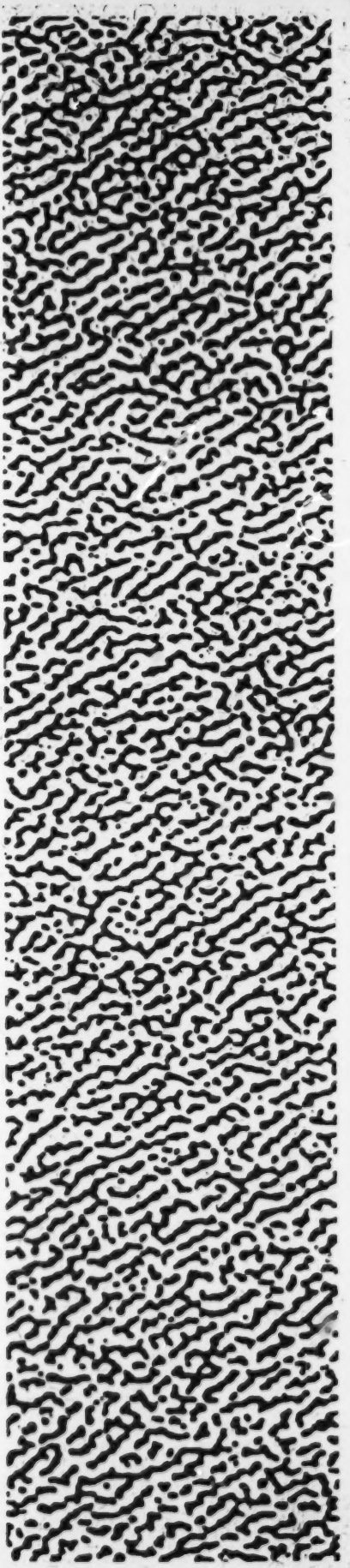

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